

MAR 13 2015

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONSIDER AN
ALTERNATE METHODOLOGY FOR ESTABLISHING THE BASIC
PROSPECTIVE PAYMENT SYSTEM RATES FOR INTERMEDIATE CARE
FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES,
TO REBASE THE RATES AT LEAST EVERY TWO FISCAL YEARS, AND TO
INCREASE BED RESERVATION DAYS TO TWENTY-FOUR DAYS PER
CALENDAR YEAR FOR HOSPITALIZATION AND OTHER ABSENCES OF
RESIDENTS FROM INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS
WITH INTELLECTUAL DISABILITIES.

1 WHEREAS, seventeen intermediate care facilities for
2 individuals with intellectual disabilities operated by private,
3 nonprofit agencies provide a home and needed twenty-four hour
4 care, active treatment, and community living for up to eighty-
5 two individuals and serve as important components of the State's
6 long-term care of individuals with intellectual disabilities;
7 and

8
9 WHEREAS, providers of services in intermediate care
10 facilities for individuals with intellectual disabilities are
11 compensated by per diem payments under the Medicaid long-term
12 care prospective payment system, as provided in chapter
13 17-1739.2, Hawaii Administrative Rules; and

14
15 WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,
16 provides for the Department of Human Services to establish a per
17 diem basic prospective payment system (PPS) rate based on actual
18 cost reports submitted by providers for a prior designated
19 fiscal year; and

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21 WHEREAS, the Department of Human Services has made it a
22 practice in recent decades to perform a rebasing of the basic
23 PPS rate so that an intermediate care facility for individuals
24 with intellectual disabilities provider does not have its basic
25 PPS rate calculated by reference to the same base year for more



1 than eight fiscal years, based on cost reports submitted for one
2 or two fiscal years before the rebased rates go into effect; and
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4 WHEREAS, basing payment for services on the same basic PPS
5 rate for eight years ignores costs incurred by providers
6 resulting from changes in the level of care needed by residents
7 and the number of employees required to provide essential
8 services, higher wage and benefit standards, and changes in
9 regulatory requirements and best practices; and
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11 WHEREAS, as a result of the foregoing factors, the basic
12 PPS rates in effect for eight years are increasingly
13 insufficient to cover the costs of providing services to the
14 residents of intermediate care facilities for individuals with
15 intellectual disabilities and to compensate the caretakers and
16 others who assist residents at a competitive fair wage; and
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18 WHEREAS, rebasing the basic PPS rate on a more frequent
19 basis and ensuring a fair annual inflation adjustment would more
20 fairly and accurately represent the cost of services provided in
21 intermediate care facilities for individuals with intellectual
22 disabilities; and
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24 WHEREAS, the basic PPS rate is paid on a per diem basis for
25 each occupied bed in an intermediate care facility for
26 individuals with intellectual disabilities, but not if the
27 resident is absent at midnight, even if the facility provided
28 services to the resident for a large portion of the day; and
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30 WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,
31 allows a provider to be paid the per diem rate for up to twelve
32 days of bed hold absence by a resident per year, except in the
33 case of an absence or hospitalization, in which case no per diem
34 bed hold payment is made; and
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36 WHEREAS, the payment for only twelve non-hospitalization
37 bed hold days is among the lowest number of days in the nation
38 for similar facilities, and the ongoing expenses of operating an
39 intermediate care facility for individuals with intellectual
40 disabilities are not materially decreased by a resident's
41 absence for any reason, including hospitalization, resulting in
42 a severe financial challenge to operators of intermediate care



1 facilities for individuals with intellectual disabilities; now,
2 therefore,
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4 BE IT RESOLVED by the Senate of the Twenty-eighth
5 Legislature of the State of Hawaii, Regular Session of 2015, the
6 House of Representatives concurring, that the Department of
7 Human Services is requested to evaluate and consider an
8 alternate methodology for establishing the basic PPS rates for
9 intermediate care facilities for individuals with intellectual
10 disabilities to address the inadequacy of the existing process
11 and to adopt rules pursuant to chapter 91, Hawaii Revised
12 Statutes, to require rebasing of the basic PPS rates using
13 updated cost report data at least every two fiscal years; and
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15 BE IT FURTHER RESOLVED that the Department of Human
16 Services is urged to adopt rules pursuant to chapter 91, Hawaii
17 Revised Statutes, to establish that intermediate care facilities
18 for individuals with intellectual disabilities may reserve a bed
19 for a resident receiving Medicaid who is absent from the
20 facility on any day for no more than twenty-four days in a
21 calendar year, regardless of whether the absence is due to
22 hospitalization or other reasons; and
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24 BE IT FURTHER RESOLVED that certified copies of this
25 Concurrent Resolution be transmitted to the Director of Human
26 Services, Director of Health, and Executive Administrator of the
27 Hawaii State Council on Developmental Disabilities.
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OFFERED BY:

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